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U. S. DEPARTMENT OF AGRICULTURE

FOOD DISTRIBUTION ADMINISTRATION

UNITED STATES DEPARTMENT OF AGRICULTURE

[FDO 38]

PART 1460—FATS AND OILS

RESTRICTIONS ON USE, CONSUMPTION, PROCESSING, SALE AND DELIVERY OF PALM OIL

Pursuant to the authority vested in me by Executive Order No. 9280, dated December 5, 1942, and to assure an adequate supply and efficient distribution of palm oil to meet war and essential civilian needs, *It is hereby ordered*, As follows:

§ 1460.9 *Use, consumption, processing, sale and delivery of palm oil restricted—*

(a) *Definitions.* When used in this order, unless otherwise distinctly expressed or manifestly incompatible with the intent thereof:

(1) The term "palm oil" means all oils of any grade or description, heretofore known or sold as palm oil, whether crude, refined, bleached, or deodorized.

(2) The term "dealer" means any person who imports, buys, sells, or distributes palm oil.

(3) The term "person" means an individual, partnership, corporation, association, or other business entity.

(4) The term "Director" means the Director of Food Distribution, United States Department of Agriculture, or any employee of the United States Department of Agriculture designated by such Director.

(b) *General restrictions on use.* Unless specifically authorized by the Director, no person shall use or consume palm oil except in the following manufactures or processes:

(1) The manufacture of tin plate, terne plate, long terne plate, steel sheets, steel strip, and black plate;

(2) Any manufacture, process or use in which glycerine is produced in compliance with the provisions of Food Distribution Order No. 33;

(3) Any manufacture, process, or use by any person whose total use or consumption of palm oil is less than 2,000 pounds in each of the several three month periods of the year commencing on January 1, April 1, July 1, and October 1.

(c) *Restrictions on processing.* No person shall hereafter put in process or change the condition of any palm oil in preparation for any manufacture, process, or use permitted by this order except to the extent necessary for such preparation and then only in such quantities as may be necessary to meet his normal production schedule or, if such palm oil is to be manufactured or used

by another person, then the normal production schedule of such other person.

(d) *Reserve.* Every person who was required by General Preference Order M-59 of the War Production Board (7 F.R. 2186) to set aside an inventory quota of palm oil shall use, put in process, sell, or deliver all or any part of such quota only upon express instruction of the Director, except that this paragraph (d) shall not be construed to prevent changing the condition of the oil so set aside to the extent necessary to prevent deterioration while carried in inventory.

(e) *Restrictions on sales and deliveries.* No person shall sell or deliver any palm oil to any other person, except a dealer or a person using such oil in the manufactures, processes, or uses set out in paragraph (b) hereof, except as may be specifically authorized by the Director.

(f) *Intra-company transactions.* The prohibitions or restrictions contained in this order with respect to deliveries shall, in the absence of a contrary direction, apply not only to deliveries to other persons, including affiliates and subsidiaries, but also to deliveries from one branch, division, or section of a single enterprise, to another branch, division, or section of the same or any other enterprise owned or controlled by the same person.

(g) *Existing contracts.* The restrictions of this order concerning the use, consumption, processing, sale, and delivery of palm oil shall be observed without regard to existing contracts or any rights accrued or payments made thereunder.

(h) *Records and reports.* Every person subject to this order shall maintain such records for at least two years (or for such other period of time as the Director may designate) and shall execute and file such reports upon such forms and submit such information as the Director may from time to time request or direct, and within such time as he may prescribe, subject to the approval of the Bureau of the Budget pursuant to the Federal Reports Act of 1942.

(i) *Audits and inspections.* Every person subject to this order shall, upon request, permit inspections, at all reasonable times, of his stocks of palm oil and of the premises used in his business, and all of his books, records, and accounts shall, upon request, be submitted to audit and inspection by the Director.

(j) *Petition for relief from hardship.* Any person affected by this order who considers that compliance herewith would work an exceptional and unrea-

sonable hardship on him may petition in writing (in triplicate), for relief to the Director setting forth all pertinent facts and the nature of the relief sought. The Director may thereupon take such action as he deems appropriate and such action shall be final.

(k) *Violations.* Any person who wilfully violates any provisions of this order or who by any act or omission falsifies records to be kept or information to be furnished pursuant to this order, or who wilfully conceals a material fact concerning a matter within the jurisdiction of any Department or agency of the United States may be prohibited from receiving or making further deliveries of any material subject to allocation, and such further action may be taken against him as the Director deems appropriate, including recommendations for prosecution under section 35a of the Criminal Code (18 U.S.C. 1940 ed. 80), under paragraph 5 of section 301 of Title III of the Second War Powers Act, and under any and all other applicable laws.

(l) *Communications to the Department of Agriculture.* All communications concerning this order shall, unless otherwise directed, be addressed to Director of Food Distribution, United States Department of Agriculture, Washington, D. C., Ref: FD 38.

(m) *General Preference Order M-59 superseded.* This order supersedes in all respects General Preference Order M-59 of the War Production Board (7 F.R. 2186) except that as to violations of said order or rights accrued, liabilities incurred or appeals taken under said order prior to the effective date hereof, said general preference order shall be deemed to be in full force and effect for the purpose of sustaining any proper suit, action, or other proceeding with respect to any such violation, right or liability. Any appeal pending under the said General Preference Order shall be considered under paragraph (j) hereof.

(n) *Territorial extent.* This order applies to all persons in the United States, its territories and possessions, and the District of Columbia.

(o) *Effective date.* This order shall be effective on March 24, 1943, as of 12:01 a. m., e. w. t.

(E.O. 9280, 7 F.R. 10179)

Issued this 19th day of March 1943.

[SEAL] PAUL H. APPLEBY,
Acting Secretary of Agriculture.

Press Release—Immediate:
Monday, March 22, 1943.

The Secretary of Agriculture today issued Food Distribution Order No. 38 replacing War Production Board Order M-59, and transferring control over palm oil to the Food Distribution Administration. The new order is effective March 24.

The re-issued order continues the same restrictions as order M-59 on the

processing, delivery, and use of palm oil, but provides exemption from the restrictions for any person using less than 2,000 pounds of palm oil per quarter. The use of palm oil has been limited since April 1, 1942, to the manufacture of tin plate,terne plate, steel sheets, steel strip, and black plate and to processes yielding required percentages of glycerine.

Imports of palm oil were reduced drastically by Japanese occupation of the

Netherlands East Indies—main source of the U. S. pre-war supply. Imports from other producing areas in British West Africa and Belgian Congo have been affected by shipping conditions. In order to conserve the available supplies for the most essential uses, the War Production Board ordered owners of 30,000 or more pounds on March 19, 1942, to set aside 25 percent of their total inventory for a war reserve.